

# DRAFT

**Department of Financial Institutions  
Small Business Economic Impact Statement  
Washington Mortgage Broker Practices Act Rules  
Mortgage Broker Questionnaire - June 2006**

**Please answer the following questions to assist the department in determining the economic impact of the new Mortgage Broker Practices Act rules (MBPA rules) on state licensed mortgage brokers. We will accept only one response for each mortgage broker. In order to be part of the Small Impact Economic Impact Statement, you must return the questionnaire electronically to the department by July 15, 2006. To return the questionnaire, place your company's name and designated broker's name at the end of the questionnaire, and click on "Submit." After you send us the questionnaire we will send you an e-mail confirming receipt.**

## **Question 1**

How many employees do you have?

\_\_\_\_\_ employees work for my mortgage broker company

## **Question 2**

How many independent contractors do you have?

\_\_\_\_\_ independent contractors work for my mortgage broker company

**Background** – The changes to the Mortgage Broker Practices Act include a requirement that beginning January 1, 2007, loan originators must have a license to originate loans. After that date mortgage brokers must only employ or contract with licensed loan originators. While the new law does not require mortgage brokers to pay loan officer licensing fees, some mortgage brokers may choose to do so.

## **Question 3**

How many loan originators do you employ either as independent contractors or W-2 employees?

\_\_\_\_\_ loan originators work for my mortgage company (includes all locations)

## **Question 4**

Do you plan to pay your loan originators' license fees (loan originator license fees may range from \$100 to \$125)?

\_\_\_\_\_ Yes \_\_\_\_\_ No

### Question 5

You will need to provide us with a list of your loan originators when we examine your company. Please estimate your annual record keeping costs to keep this information. \$\_\_\_\_\_.

**Background** – Loan originators will have to successfully complete two continuing education courses each year to maintain their license.

### Question 6

**6(a)** Do you plan to pay for your loan originators' continuing education?

\_\_\_\_\_ Yes \_\_\_\_\_ No

**6(b)** What are your estimated annual loan originator continuing education costs? (Assume the cost of continuing education to be similar to that of your designated broker.)

\$\_\_\_\_\_ annually

**Background** - Amendments to the Mortgage Broker Practices Act allow the department to examine your books and records within the first five years you are licensed. The department will conduct examinations to review for compliance with state and federal laws. The department will not charge you for the examination if your business is located in Washington. If department examiners must travel out of Washington to examine your business, you will have to pay the travel expenses. Prior to the examination the department will contact you to arrange the date and time of the examination. The department may also request that you provide information to us so we can conduct a pre-examination review of your records. For example, during the pre-examination review the department may ask for information regarding loan portfolios, accounting records, trust accounts, personnel records, and advertising. At the conclusion of the examination, the examiner(s) will meet with you (the designated broker or owner) to review the examination findings and provide insight into what the department will include in the examination report.

### Question 7

**7(a)** Please estimate your costs for reporting, recordkeeping, and other compliance requirements associated with your examination as described above.

\$ \_\_\_\_\_ reporting

\$ \_\_\_\_\_ recordkeeping

\$ \_\_\_\_\_ other compliance related to examination

\$ \_\_\_\_\_ total annual costs

**7(b)** Please estimate your costs of additional professional services you are likely to need in order to comply with the department's request for information as described above (accountants, consultants, bookkeeping, etc.).

\$ \_\_\_\_\_ annual costs for professional services

**7(c)** Please estimate your costs for equipment, supplies, labor, and increased administrative costs associated with an examination.

\$ \_\_\_\_\_ equipment

\$ \_\_\_\_\_ supplies

\$ \_\_\_\_\_ labor

\$ \_\_\_\_\_ other administrative costs related to examination

\$ \_\_\_\_\_ total annual costs

**Background** – The new law requires mortgage brokers to annually report to the department the number of residential mortgage loans made in Washington, including the dollar volume of those loans. This information will be compiled and averaged for a report to the legislature.

### **Question 8**

**8(a)** How much will it cost your business to keep records of and report to the department annually the total number and dollar value of all of the loans you made during the year?

\$ \_\_\_\_\_ total cost to provide an annual report of the number and dollar value of loans made during the year

**8(b)** Of the answer to **8(a)**, how much is the estimated cost of labor for your mortgage company to comply with the annual reporting requirement?

\$ \_\_\_\_\_ labor cost to provide the annual report

**8(c)** Please estimate your costs of additional professional services, equipment, supplies, and labor you are likely to need to keep records of and report to the department annually the total number and dollar value of all of the loans you made during the year (professional services are things like accounting, computer specialist, administrative support, etc.).

\$ \_\_\_\_\_ professional service (accounting, attorney, computer specialist, etc.)

\$ \_\_\_\_\_ equipment

\$ \_\_\_\_\_ supplies (computer software, etc.)

\$ \_\_\_\_\_ labor (administrative support)

\$ \_\_\_\_\_ total annual costs

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**Company Name**

**Designated Broker**

**SUBMIT**